

---

## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

---

Pearson

HB No. 495

**Abstract:** Relative to the Teachers' Retirement System of La. (TRSL), provides for the direct payment of funds for the payment of Unfunded Accrued Liability (UAL).

Present law provides for calculation of each fiscal year's actuarially required employer contribution for each state retirement system, including TRSL. Provides for this contribution amount to be divided by projected payroll to produce the actuarially required employer contribution rate.

Present constitution requires the legislature to set and determine all contributions to be made to TRSL. Present law mandates that the legislature set the employer contribution rate equal to the rate calculated pursuant to present law.

Proposed law retains present law.

Proposed law provides that, beginning in FY 2012-2013, the treasurer shall pay certain amortization payments directly to TRSL. Provides for the employers' contribution rate for TRSL to be reduced to reflect the direct payments. Provides for the treasurer to deduct each employer's proportionate share of the amortization payment from the monies appropriated to or for the use of the employer. Provides for employers who object to such direct payments to pay the rate without the reduction for direct payments. Requires TRSL to notify the treasurer regarding amortization payments to be withheld and to notify employers of their ability to object to direct payments.

Effective June 30, 2011.

(Amends R.S. 11:102(B)(1); Adds R.S. 11:102(D))

### Summary of Amendments Adopted by House

#### House Floor Amendments to the engrossed bill.

1. Brings the definition of "employer" and "employing agency" into conformity with the definition of "employer" in present law TRSL provisions.
2. Changes from June 1 to April 1 the deadline by which an employer must opt out of proposed law.
3. Clarifies that the reduction in payments to an employer shall be applied uniformly.

4. Requires TRSL, by May 1 of each fiscal year, to provide the treasurer with a statement of the amortization payment to be withheld from each employer.
5. Requires TRSL, by March 1 of each fiscal year, to notify each employer of its ability to object to direct UAL payments.